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ABSTRACT

Formal organizations or social subsystems are defined in this anthropological field study as the municipal government and the urban school district. The school district is fiscally dependent on the municipal government for the financial resources essential for its operations. Within the realm of educational finance, policy decisions of either of these organizations directly affect the other. This interdependent characteristic influences the type and quality of the formal and informal relationships existing between the local government and the school district. This study is concerned with the identification and analysis of the decisionmaking process in a large city as it relates to the allocation of financial resources between the education and noneducation services. (Author)

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# A FIELD STUDY OF THE POLITICS OF FISCAL DECISION-MAKING IN A DEPENDENT URBAN SCHOOL DISTRICT

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## Statement of the Problem

Formal organizations or social sub-systems are defined in this anthropological field study as the municipal government and the urban school district. The school district is fiscally dependent on the municipal government for the financial resources essential for its operations. Within the realm of educational finance, policy decisions of either of these organizations directly affects the other. This interdependent characteristic influences the types of and the quality of the formal and informal relationships existing between the local government and the school district. This study is concerned with the identification and analysis of the decision-making process in a large city as it relates to the allocation of financial resources between the education and noneducation services.

## Major Assumptions

The major assumptions guiding this study were:

1. The school district and city and county governments are each represented by highly professional and politically-astute individuals.

2. Education is in competition with non-education services for local resources with the latter services experiencing decreases in their expenditure levels as the education service extracts a greater share of those resources.

3. The resources appropriated to the education service are related to the amount of influence and power exerted by the educational interests upon the decision-making process.

4. The decision-making process involving the determination of the expenditure level for the education service is restricted by pre-established local political and economic conditions.

Research Procedures

The setting for this study was a single community. Several criteria were identified for the selection of an appropriate locale for study. The first consideration revolved about the need for a large municipality. Secondly, a fiscally dependent city school district was felt to be important. The final criterion was type of city government. The city manager-city council type was preferred to facilitate a comparison of school superintendent and city manager. These criteria made it possible for the researcher to identify appropriate communities. Rochester, New York, was finally selected as an appropriate location.

The specific role selected for this field study was that of the "observer as a participant." The researcher was without group membership; he did not occupy a role that would have existed had he not been there. He was widely recognized as an outside observer who had been granted permission to occupy a tentative role, created for the purpose of scientific observation. The role of observer as a participant was achieved after the researcher had corresponded over a period of several months with certain administrative officers in each of the school district and city government sub-systems. Once the research was under way, the superintendent and city manager sent letters of introduction and copies of the research proposal to their

respective policy-making bodies, the school board and the city council.

Groups of individuals, each of whom occupy formal positions and participate in the decision-making process, were the primary sources for observation. An assumption of this study was the belief that it was important for understanding the process of power in a decision-making context to examine the behavior of groups. Power is created by individuals acting together as groups, not as individuals. With these assumptions comprising the limits or framework, a description of their relevant behavior was sought. The description of behavior referred to the total collection of observed units of behavior concerning some particular issue. These units of behavior vary, depending on those areas or issues the researcher wishes to examine. In this field study, these units of behavior were determined by defining their context in terms of particular educational finance-related issues (such as the annual budget, teacher salaries and school construction). The researcher collected data on those incidents of behavior with which he developed contact. These incidents partially comprised the total description of behavior available and served as his sample.

The field study was initiated in September, 1971 and was conducted for the following nine months, until June, 1972. This period coincided with the traditional budget-making process in Rochester's sub-systems. The observations or incidents of behavior were collected in this period. Most of the observations were of various meetings, briefings and sessions of one type or another.

Several other types of data were collected for this study. The most important of these other types were the interviews. Approximately 50 interviews, averaging one hour in length, were held with individuals

who hold or at one time held, formal positions in these two sub-systems. There were a few who represented other segments of the community.

Newspaper articles were a valuable source of information. A complete collection of all articles directly related to the school district and municipal government sub-systems from Rochester's two leading dailies was utilized. This collection spanned a period of 18 months, from December, 1970 to June, 1972. Miscellaneous sources of information for this study included school board and city council official minutes, special studies and reports and historical material other than newspaper articles, such as official historical accounts of Rochester.

## Findings and Conclusions

The field data indicated that the urban school district, the municipal government and the county government are sufficiently different in their needs for leadership that distinctions can be made. All require administrative ability and political astuteness. The municipal and county governments require competent individuals for leadership positions while the school district needs professional administrators. The order of these requisite skills is reversed in each case. The district requires, first, professional administrative ability and secondly, political astuteness while the municipal and county governments are most in need of political astuteness with competent administrative ability as a secondary requirement.

It was also apparent that the city manager experiences a loss of statute and authority when the lack of strong political leadership

in the party headquarters results in the presence of strong city councilmen. These strong councilmanic types exhibit a tendency to infringe on the city manager's realm of administrative responsibilities.

There appears to be a lack of evidence to support the formulation of a generalization that states that education is in competition with noneducation services for local resources with the latter services experiencing decreases in their expenditure levels as the education service extracts a greater share of those resources. However, there does appear to be another relationship involved. The competition for local tax dollars on the part of the school district and municipal government sub-systems has taken the form of increased interaction exchanges and patterns between officials of these sub-systems. The available revenues for public institutions have become more restricted in recent years and this has had the effect of pitting officials of one institution or sub-system against officials from other institutions or sub-systems. They compete against one another by interacting in an effort to utilize greater bargaining power in their own behalf.

Approached from an interaction point of view, evidence was found which supported the assumption that educational interests exert power and influence on the city school district's decision-making process. But, based on the present study, their power and influence must not be construed as being sufficiently stong and broad-based as to bring about a particular decision or course of action. They worked to have their interests incorporated into the school budget. They very likely will continue to exert

power and influence, and the school district will continue to be forced to satisfy these groups. As the city's resources continue to fall short of the community's needs and expectations, these groups may well assume a greater role in exerting power and influence on the city school district's decision-making process.

The researcher examined the notion that the decision-making process involving the determination of the expenditure level for the education service is restricted by pre-established local political and economic conditions. The economic data indicated that, in a fiscally dependent situation, the extent of formal interaction and conflictual sentiment is directly related to the degree to which the school budget deviates from the traditional tax sharing ratios operating in the past. A local political condition influencing the decision-making process pertained to particular types of elected officials. The data indicated that elected officials of public policy-making bodies who are beyond the direct control or benefit of a political party, special-interest group or specific constituency exhibit a greater tendency to vote as they please, often deviating from the positions adhered to by their colleagues. It was also noted that the quality of the interaction exchanges between the urban school district and the municipal government, as perceived by the superintendent, usually influences the plans and strategies he selects in presenting and seeking approval for the district's proposed budget.

In addition to these primary concerns, other relationships were found to be of special interest; these are offered as additional results of this study. The city's Republican political power structure was formerly composed of conservative patrician-types who have since

died, moved to suburban areas or left the metropolitan area entirely. They constituted a status-oriented power structure and its dissolution has been accompanied by the emergence of a pluralistic power structure. This newer structure consists of a multitude of organizations and special-interest groups. Their activity and influence at any particular time is dependent on the issue or issues in the public limelight. Pluralistic politics will continue for some time to influence public policy-making groups.

The political parties and public policy-making bodies are being affected by a voter phenomenon where they have acted to take the political insiders out and place the political outsiders in. Traditional political party control and political stability in the community are undergoing upheaval and change as new political forces increase in intensity and influence.

Another relationship noted in the course of this field study was the presence of a two-team phenomenon where public office holders, politicians and other groups and individuals align themselves in either of two teams on philosophical disagreements and controversial issues.

The nonpartisan school board is not very different from the preceding partisan school board. Some board members are interested in moving on to higher public office. They are affiliated with the local political parties and politicians. Under present conditions, it is doubtful that the nonpartisan school board will ever be a truly nonpolitical body.

A final noteworthy relationship indicated that the extent of school board-city council interaction was directly related to those

time intervals when the district's need for revenues are being considered. A theoretical model incorporating the variables of interaction and sentiment in a matrix built on personal philosophy and political party congruence is included with several theoretical conceptions for future examination.

FIGURE 1

RELATIONSHIPS BETWEEN THE PERSONAL PHILOSOPHY AND PARTY AFFILIATION OF CITY COUNCIL AND SCHOOL BOARD MAJORITY MEMBERS

Personal Philosophy

| Party Affiliation | Conservative | Progressive | Combination |
|---|---|---|---|
| Congruence | Informal Consensual | Informal Consensual | Informal Conflictual |
| Non-Congruence | Formal Consensual | Formal Consensual | Formal Conflictual |

Directions for Future Research

The school superintendency and the position of city manager require individuals with administrative ability and political astuteness. The latter, political astuteness, is necessitated by the fact that these administrators must manuveur among diverse special-interest groups in an effort to obtain maximum support for their proposals. Often their activities can be construed as existing within the realm of public policy. Their roles have undergone a transformation process within the last few decades. They possess perceptions of what their own roles are and as well as what the

other's role might be. A future study to ascertain their role perceptions would prove valuable in explaining the leadership behavior of chief administrative officers of the school district and municipal government sub-systems.

A recurring and interesting development was the indentification of the school superintendent as a professional capable of operating within the internal political system of the urban school district as well as the external political system which encompasses the municipal government, special-interest groups and the general community. Internally, the superintendent must communicate and cooperate with his school board, central office staff, building administrators, teaching staff, nonteaching staff and students. Success in attaining the position of school superintendent necessitates that an individual become a master politician in both of these political systems. However, success in one political system is not necessarily synonymous with success in the other political system. An examination to identify the personal and/or professional characteristics necessary for success in either or both of these political systems might generate useful insights on the behavior and style of individuals occupying administrative leadership positions. Their relationships and interaction patterns with chief administrative officers and elected officials in other public agencies would explain much of the inter-institutional difficulties occurring at the present time.

There appears to be evidence that indicates that the creation of financial crisis-type situations in public institutions of the type treated in this study is perceived as being beneficial to the interests of the involved public institutions. The likelihood that

these financial crisis-type situations are considered to be effective strategies for obtaining public approval for larger budget expenditures may prove fruitful for future research. The possibility that this strategy is perceived as being beneficial for political gain, public approval or additional bargaining power may constitute some measure of political astuteness for individuals occupying administrative leadership positions. Such an examination would also provide a fresh approach for action research into the relationships between the economics of education and the politics of education.

Another area appropriate for further research is along the lines of the theoretical model proposed in figure 1. Personal philosophy and political congruence are posited in such a way as to allow for an interesting comparison of interaction and sentiment variables. But, in addition to a comparison of these two variables, it might prove beneficial to examine the model with still another variable. Annual school budget expenditure increases can be categorized on the basis of high or low deviations in expenditure levels. The model may then be utilized to determine which of the matrix cells results in the lowest budget increase and which results in the highest budget increase. A six-position scale, indicating very low to very high budget expenditure increases can be compared against the interaction and sentiment variables on the basis of personal philosophy and political congruence. This type of scholarly examination may result in the formulation of a theoretical model that attempts to explain the effects of a particular formal governmental structure, fiscal dependence for urban school systems.